



Laura Bateman  
Carolinas Rates & Regulatory Strategy  
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267842

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2016 DEC -1 AM 11:24  
SC PUBLIC SERVICE  
COMMISSION

November 30<sup>th</sup>, 2016

Jocelyn Boyd  
Chief Clerk and Administrator  
Public Service Commission of South Carolina  
Post office Drawer 11649  
101 Executive Center Drive, Suite 100  
Columbia, SC 29211

COPY  
Posted: lod  
Dept: SA  
Date: 12/5/16  
Time: 3:01

Dear Mrs. Boyd:

Enclosed per Docket No. 1988-11-E is the quarterly report of Duke Energy Progress, LLC for the twelve months ending September 30<sup>th</sup>, 2016. Debt coverage ratio of earnings to Fixed Charges was 3.84 for this time period.

Please feel free to contact me at 919.546.3324 if you have any questions.

Sincerely,

Laura Bateman  
Carolinas Rates & Regulatory Strategy  
Duke Energy

Enclosures:

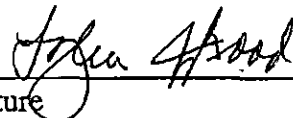
pc: Ms. Dawn Hipp, Director Utilities, Safety & Transportation  
Office of Regulatory Staff  
Mr. Willie Morgan, Deputy Director Utilities Rates  
Office of Regulatory Staff

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CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, Lynn J. Good, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Progress, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

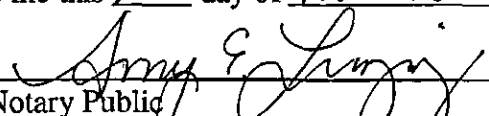
  
Signature

Lynn J. Good  
Typed or Printed Name of Person Signing

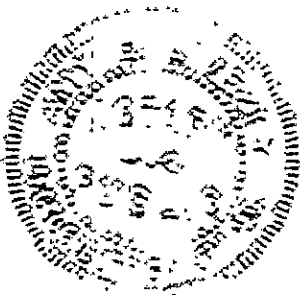
President, CEO & Chair of BOD  
Title

11/21/16  
Date Signed

Subscribed and sworn to before me this 21<sup>st</sup> day of November, 2016.

  
Notary Public

My Commission Expires: 11/16/17



CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, Steven K. Young, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Progress, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

Steven K. Young  
Signature of Person Making Verification

Steven K. Young  
Typed or Printed Name of Person Signing

Executive Vice President & CFO  
Title

11/21/16  
Date Signed

Subscribed and sworn to before me this 21<sup>st</sup> day of November, 2016.

Amy E. Loring  
Notary Public

My Commission Expires: 11/16/17



Duke Energy Progress  
Electric Operating Experience - Total Company & SC Retail  
12 Months Ended September 30, 2016  
Dollars in Thousands

Line No.	Description (Col. 1)	Total Company			SC Retail		
		Regulatory Per Books (Col. 2) \$	Pro-Forma Adjustments (Col. 3) \$	As Adjusted (Col. 4) \$	Regulatory Per Books (Col. 5) \$	Pro-Forma Adjustments (Col. 6) \$	As Adjusted (Col. 7) \$
1	<u>Operating Revenues</u>	\$ 5,236,449	\$ (190,914)	\$ 5,045,535	\$ 529,037	\$ (30,811)	\$ 498,226
2	<u>Operating Expenses</u>						
3	O&M Expenses - Fuel	1,412,243	-	1,412,243	141,699	-	141,699
4	Purchased Power and Net Interchange	449,331	-	449,331	45,803	-	45,803
5	Wages, Benefits, Materials, etc.	1,459,252	(94,081)	1,365,171	154,586	(13,415)	141,171
6	Depreciation & Amortization Expenses	658,161	63,338	721,500	56,754	4,760	61,514
7	Taxes Other Than Income	155,712	1,232	156,944	18,605	(94)	18,511
8	Income Taxes	296,445	(47,930)	248,515	30,741	(7,094)	23,646
9	Investment Tax Credit	(5,651)	-	(5,651)	(573)	-	(573)
10	Total Operating Expenses (Sum L3 through L9)	\$ 4,425,494	\$ (77,440)	\$ 4,348,053	\$ 447,615	\$ (15,843)	\$ 431,772
11	<u>Operating Return (L1 - L10)</u>	\$ 810,955	\$ (113,474)	\$ 697,481	\$ 81,423	\$ (14,968)	\$ 66,455
12	Customer Growth	5,529	(774)	4,755	178	(33)	146
13	Interest on Customer Deposits (Before Taxes)	9,257	-	9,257	682	-	682
14	<u>Total Income for Return (L11 + L12 + L13)</u>	\$ 807,227	\$ (114,248)	\$ 692,979	\$ 80,919	\$ (15,001)	\$ 65,918
15	<u>Rate Base</u>						
16	Plant In Service	\$ 24,196,833	\$ 184,713	\$ 24,381,546	\$ 2,565,954	\$ 11,650	\$ 2,577,604
17	Reserve for Depreciation	(10,948,863)	17,036	(10,931,827)	(1,184,628)	4,131	(1,180,496)
18	Net Plant (L16 + L17)	13,247,970	201,749	13,449,719	1,381,326	15,781	1,397,107
19	Construction Work In Progress	-	938,003	938,003	-	99,636	99,636
20	Other Rate Base	(108,706)	-	(108,706)	(11,297)	-	(11,297)
21	Total Working Capital	1,093,452	(462,470)	630,982	178,918	(54,609)	124,309
22	Materials & Supplies	1,463,717	(20,730)	1,442,988	155,962	(2,151)	153,811
23	Accumulated Deferred Income Taxes	(3,329,318)	344,414	(2,984,903)	(367,438)	41,164	(326,273)
24	<u>Total Rate Base (L18+L19+L20+L21+L22+L23)</u>	\$ 12,367,116	\$ 1,000,967	\$ 13,368,082	\$ 1,337,471	\$ 99,822	\$ 1,437,294
25	<u>Rate of Return (L14 divided by L24)</u>	6.53%		5.18%	6.05%		4.59%
26	<u>Return on Equity</u>	8.69%		6.17%	7.80%		5.05%

Duke Energy Progress  
Electric Accounting & Pro Forma Adjustments - Total Company  
12 Months Ended September 30, 2016  
Dollars in Thousands

Adj. No.	Description	Revenues	O&M Expenses Fuel	O&M Expenses Purch. Power	O&M Expenses Other	Deprec. & Amort. Expense	Taxes Other Than Income	Interest on Customer Deposits	Investment Tax Credit	Income Taxes @	Operating Income
1	Normalize O&M Labor Costs	\$ -	\$ -	\$ -	\$ 1,496	\$ -	\$ -	\$ -	\$ -	\$ (572)	\$ (924)
2	Update for increased/decreased benefits costs	-	-	-	(4,987)	-	-	-	-	1,908	3,079
3	Annualize depreciation on year end plant balances	-	-	-	-	34,342	-	-	-	(13,136)	(21,206)
4	Adjust the amount of EPIS in rate base	-	-	-	-	11,414	-	-	-	(4,366)	(7,048)
5	Adjust the Amount of CWIP in Rate Base	-	-	-	-	-	-	-	-	-	-
6	Annualize property taxes on year end plant balances	-	-	-	-	-	2,121	-	-	(811)	(1,310)
7	Eliminate prior period taxes	-	-	-	-	-	-	-	-	16,242	(16,242)
8	Eliminate SFAS 109	-	-	-	-	-	-	-	-	-	-
9	Adjust Fuel Stock	-	-	-	-	-	-	-	-	-	-
10	Eliminate DSM, EE, DSDR impacts	(169,893)	-	-	(90,590)	17,582	(889)	-	-	(37,725)	(58,271)
11	Adjust income taxes to synchronize interest expense for the adjusted test period rate base	-	-	-	-	-	-	-	-	(1,428)	1,428
12	Eliminate Program Performance Incentives	(21,021)	-	-	-	-	-	-	-	(8,041)	(12,981)
13	TOTAL - ALL PRO FORMAS	\$ (190,914)	\$ -	\$ -	\$ (94,081)	\$ 63,338	\$ 1,232	\$ -	\$ -	\$ (47,930)	\$ (113,474)

Adj. No.	Description	Plant in Service	Accum. Deprec.	CWIP	Other Rate Base	Total Working Capital	Materials & Supplies	ADIT	Rate Base
1	Normalize O&M Labor Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Update for increased/decreased benefits costs	-	-	-	-	-	-	-	-
3	Annualize depreciation on year end plant balances	-	(34,342)	-	-	-	-	-	(34,342)
4	Adjust the amount of EPIS in rate base	400,269	(11,414)	-	-	-	-	-	388,855
5	Adjust the Amount of CWIP in Rate Base	-	-	938,003	-	-	-	-	938,003
6	Annualize property taxes on year end plant balances	-	-	-	-	-	-	-	-
7	Eliminate prior period taxes	-	-	-	-	-	-	-	-
8	Eliminate SFAS 109	-	-	-	-	(202,244)	-	202,244	-
9	Adjust Fuel Stock	-	-	-	-	-	(20,730)	-	(20,730)
10	Eliminate DSM, EE, DSDR impacts	(215,556)	62,792	-	-	(248,466)	-	142,170	(259,060)
11	Adjust income taxes to synchronize interest expense for the adjusted test period rate base	-	-	-	-	-	-	-	-
12	Eliminate Program Performance Incentives	-	-	-	-	-	-	-	-
13	1/8 O&M adjustment	-	-	-	-	(11,760)	-	-	(11,760)
14	TOTAL - ALL PRO FORMAS	\$ 184,713	\$ 17,036	\$ 938,003	\$ -	\$ (462,470)	\$ (20,730)	\$ 344,414	\$ 1,000,967

Duke Energy Progress  
Electric Accounting & Pro Forma Adjustments - SC Retail Electric  
12 Months Ended September 30, 2016  
Dollars in Thousands

Adj. No.	Description	Revenues	O&M Expenses Fuel	O&M Expenses Purch. Power	O&M Expenses Other	Deprec. & Amort. Expense	Taxes Other Than Income	Interest on Customer Deposits	Investment Tax Credit	Income Taxes @	Operating Income
1	Normalize O&M Labor Costs	\$ -	\$ -	\$ -	\$ 155	\$ -	\$ -	\$ -	\$ -	\$ (59)	\$ (96)
2	Update for increased/decreased benefits costs	-	-	-	(530)	-	-	-	-	203	328
3	Annualize depreciation on year end plant balances	-	-	-	-	3,648	-	-	-	(1,395)	(2,253)
4	Adjust the amount of EPIS in rate base	-	-	-	-	1,212	-	-	-	(464)	(749)
5	Adjust the Amount of CWIP in Rate Base	-	-	-	-	-	-	-	-	-	-
6	Annualize property taxes on year end plant balances	-	-	-	-	-	225	-	-	(96)	(199)
7	Eliminate prior period taxes	-	-	-	-	-	-	-	-	1,622	(1,622)
8	Eliminate SFAS 109	-	-	-	-	-	-	-	-	-	-
9	Adjust Fuel Stock	-	-	-	-	-	-	-	-	-	-
10	Eliminate DSM, EE, DSDR impacts	(27,805)	-	-	(13,040)	(100)	(319)	-	-	(5,487)	(8,859)
11	Adjust income taxes to synchronize interest expense for the adjusted test period rate base	-	-	-	-	-	-	-	-	(277)	277
12	Eliminate Program Performance Incentives	(3,006)	-	-	-	-	-	-	-	(1,150)	(1,856)
13	Reallocation adjustment	-	-	-	-	-	-	-	-	-	-
14	TOTAL - ALL PRO FORMAS	<u>\$ (30,811)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,415)</u>	<u>\$ 4,760</u>	<u>\$ (94)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,094)</u>	<u>\$ (14,968)</u>

Adj. No.	Description	Plant In Service	Accum. Deprec.	CWIP	Other Rate Base	Total Working Capital	Materials & Supplies	ADIT	Rate Base
1	Normalize O&M Labor Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Update for increased/decreased benefits costs	-	-	-	-	-	-	-	-
3	Annualize depreciation on year end plant balances	-	(3,648)	-	-	-	-	-	(3,648)
4	Adjust the amount of EPIS in rate base	42,517	(1,212)	-	-	-	-	-	41,305
5	Adjust the Amount of CWIP in Rate Base	-	-	99,636	-	-	-	-	99,636
6	Annualize property taxes on year end plant balances	-	-	-	-	-	-	-	-
7	Eliminate prior period taxes	-	-	-	-	-	-	-	-
8	Eliminate SFAS 109	-	-	-	-	(21,483)	-	22,320	838
9	Adjust Fuel Stock	-	-	-	-	-	(2,151)	-	(2,151)
10	Eliminate DSM, EE, DSDR impacts	(30,868)	8,992	-	-	(31,449)	-	18,844	(34,481)
11	Adjust income taxes to synchronize interest expense for the adjusted test period rate base	-	-	-	-	-	-	-	-
12	Eliminate Program Performance Incentives	-	-	-	-	-	-	-	-
13	1/8 O&M adjustment	-	-	-	-	(1,677)	-	-	(1,677)
14	Reallocation adjustment	-	-	-	-	-	-	-	-
15	TOTAL - ALL PRO FORMAS	<u>\$ 11,650</u>	<u>\$ 4,131</u>	<u>\$ 99,636</u>	<u>\$ -</u>	<u>\$ (54,609)</u>	<u>\$ (2,151)</u>	<u>\$ 41,164</u>	<u>\$ 99,822</u>

Duke Energy Progress  
Statement of Fixed Assets - Electric  
12 Months Ended September 30, 2016  
Dollars in Thousands

Line No.	Description (Col. 1)	Total Company			SC Retail		
		Per Books (Col. 2) \$	Adjustments (Col. 3) \$	As Adjusted (Col. 4) \$	Per Books (Col. 5) \$	Adjustments (Col. 6) \$	As Adjusted (Col. 7) \$
	<u>Gross Plant in Service</u>						
1	Production	\$ 14,998,246	\$ 300,856	\$ 15,299,102	\$ 1,593,141	\$ 31,958	\$ 1,625,099
2	Transmission	2,418,126	50,579	2,468,705	252,579	5,373	257,952
3	Distribution	5,751,949	(198,762)	5,553,187	610,983	(29,084)	581,899
4	General	597,357	17,075	614,432	63,452	1,814	65,266
5	Intangible Plant	400,066	14,965	415,031	42,496	1,590	44,085
6	Common	-	-	-	-	-	-
7	Subtotal	\$ 24,165,744	\$ 184,713	\$ 24,350,457	\$ 2,562,652	\$ 11,650	\$ 2,574,301
8	Plant Held for Future Use	31,089	-	31,089	3,302	-	3,302
9	Total Gross Plant in Service	\$ 24,196,833	\$ 184,713	\$ 24,381,546	\$ 2,565,954	\$ 11,650	\$ 2,577,604
	<u>Construction Work in Progress</u>						
10	Production	\$ -	\$ 689,395	\$ 689,395	\$ -	\$ 73,229	\$ 73,229
11	Transmission	-	107,330	107,330	-	11,401	11,401
12	Distribution	-	93,830	93,830	-	9,967	9,967
13	General	-	9,841	9,841	-	1,045	1,045
14	Intangible	-	37,607	37,607	-	3,995	3,995
15	Total Construction Work in Progress	\$ -	\$ 938,003	\$ 938,003	\$ -	\$ 99,636	\$ 99,636

Duke Energy Progress  
Reserve for Depreciation - Electric  
12 Months Ended September 30, 2016  
Dollars in Thousands

Line No.	Description (Col. 1)	Total Company			SG Retail		
		Per Books (Col. 2) \$	Adjustments (Col. 3) \$	As Adjusted (Col. 4) \$	Per Books (Col. 5) \$	Adjustments (Col. 6) \$	As Adjusted (Col. 7) \$
1	Production	\$ (6,795,640)	\$ (39,036)	\$ (6,834,676)	\$ (743,663)	\$ (4,147)	\$ (747,810)
2	Transmission	(784,184)	(1,201)	(785,385)	(83,099)	(128)	(83,227)
3	Distribution	(2,875,922)	59,590	(2,816,332)	(305,486)	8,652	(296,834)
4	General	(227,580)	676	(226,904)	(24,174)	72	(24,102)
5	Intangible Plant	(265,537)	(2,993)	(268,530)	(28,206)	(318)	(28,524)
6	Common	-	-	-	-	-	-
7	Subtotal	\$ (10,948,863)	\$ 17,036	\$ (10,931,827)	\$ (1,184,628)	\$ 4,131	\$ (1,180,496)
8	Total Reserve for Depreciation	\$ (10,948,863)	\$ 17,036	\$ (10,931,827)	\$ (1,184,628)	\$ 4,131	\$ (1,180,496)



Duke Energy Progress  
Other Rate Base - Electric  
12 Months Ended September 30, 2016  
Dollars in Thousands

Line No.	Description (Col. 1)	Total Company			SC Retail		
		Per Books	Adjustments	As Adjusted	Per Books	Adjustments	As Adjusted
		(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)
		\$	\$	\$	\$	\$	\$
1	Operating Reserves	\$ (108,706)	\$ -	\$ (108,706)	\$ (11,297)	\$ -	\$ (11,297)
2							
3							
4							
5							
6							
7							
8							
9	Total Other Rate Base	<u>\$ (108,706)</u>	<u>\$ -</u>	<u>\$ (108,706)</u>	<u>\$ (11,297)</u>	<u>\$ -</u>	<u>\$ (11,297)</u>

Duke Energy Progress  
Total Working Capital - Electric  
12 Months Ended September 30, 2016  
Dollars in Thousands

Line No.	Description (Col. 1)	Total Company			SC Retail		
		Per Books (Col. 2)	Adjustments (Col. 3)	As Adjusted (Col. 4)	Per Books (Col. 5)	Adjustments (Col. 6)	As Adjusted (Col. 7)
		\$	\$	\$	\$	\$	\$
1	Twelve Month O&M Expenses	\$ 2,850,349	\$ (94,081)	\$ 2,756,268	\$ 294,091	\$ (13,415)	\$ 280,676
2	Working Cash (1/8 of O&M Expenses on Line 1)	356,294	(11,760)	344,534	36,761	(1,677)	35,084
3	Accrued Utility Revenue	115,855		115,855	14,034		14,034
4	Prepayments	62,725		62,725	6,536		6,536
5	Total Investor Advanced Funds	\$ 534,874	\$ (11,760)	\$ 523,114	\$ 57,331	\$ (1,677)	\$ 55,654
6	Customer Deposits	(142,251)		(142,251)	(20,073)		(20,073)
7	Average Tax Accruals	904		904	94		94
8	Working Capital Other:						
9	Unamortized Debt Expense	47,413	-	47,413	5,036	-	5,036
10	SFAS 109	202,244	(202,244)	-	21,483	(21,483)	-
11	SFAS 158 Pension	366,340	-	366,340	38,072	-	38,072
12	REPS Deferral	(77,514)	-	(77,514)	-	-	-
13	End of Life Reserves	(26,900)	-	(26,900)	-	-	-
14	GridSouth Deferral	3,676	-	3,676	3,676	-	3,676
15	PSNG Pipeline Deferral	518	-	518	50	-	50
16	NCDT Overfund - SC	-	-	-	-	-	-
17	Emission Allowance Proceeds	(4,303)	-	(4,303)	-	-	-
18	Design Basis	13,308	-	13,308	1,288	-	1,288
19	Mayo Amortization - Wh	489	-	489	-	-	-
20	Customer Advances for Construction	(20,729)	-	(20,729)	(2,719)	-	(2,719)
21	DSM	248,466	(248,466)	0	31,450	(31,449)	1
22	SG Pollution Control Deferral	35,510	-	35,510	35,510	-	35,510
23	DOE Refund	(4,886)	-	(4,886)	-	-	-
24	Sale of Harris Land Deferral	(2,566)	-	(2,566)	-	-	-
25	Rate Case Costs	993	-	993	-	-	-
26	Coal Inventory Rider	(50)	-	(50)	-	-	-
27	Fukushima SC Deferral	3,459	-	3,459	3,459	-	3,459
28	COR Settlement	20,000	-	20,000	-	-	-
29	NC Tax Rate Change	(168,811)	-	(168,811)	(25,068)	-	(25,068)
30	Pole Attach - Deferred Revenue	(974)	-	(974)	(94)	-	(94)
31	Storm Deferral	14,713	-	14,713	14,713	-	14,713
32	Other Investments	371	-	371	39	-	39
33	Misc Special Deposits	-	-	-	-	-	-
34	NCEMFA Purchase Deferral	51,170	-	51,170	14,671	-	14,671
35	NC Regulatory Fee Deferral	920	-	920	-	-	-
36	SC DERP	312	-	312	312	-	312
37	Rotable Spares	(3,243)	-	(3,243)	(314)	-	(314)
38	Total Working Capital	\$ 1,093,452	\$ (462,470)	\$ 630,982	\$ 178,918	\$ (54,609)	\$ 124,309

Duke Energy Progress  
Materials & Supplies - Electric  
12 Months Ended September 30, 2016  
Dollars in Thousands

Line No.	Description (Col. 1)	Total Company			SC Retail		
		Per Books (Col. 2)	Adjustments (Col. 3)	As Adjusted (Col. 4)	Per Books (Col. 5)	Adjustments (Col. 6)	As Adjusted (Col. 7)
		\$	\$	\$	\$	\$	\$
	<u>Fuel Stock</u>						
1	Fossil	\$ 216,799	\$ (20,730)	\$ 196,069	\$ 22,493	\$ (2,151)	\$ 20,342
2	Nuclear	422,344		422,344	43,819		43,819
3	Total Fuel Stock	<u>639,143</u>	<u>(20,730)</u>	<u>618,413</u>	<u>66,312</u>	<u>(2,151)</u>	<u>64,161</u>
4	Emission Allowances	81,302	-	81,302	240	-	240
5	Other Electric Materials and Supplies	743,272	-	743,272	89,411	-	89,411
6	Total Materials & Supplies	<u>\$ 1,463,717</u>	<u>\$ (20,730)</u>	<u>\$ 1,442,988</u>	<u>\$ 155,962</u>	<u>\$ (2,151)</u>	<u>\$ 153,811</u>

[A] Adjustment to per book coal inventory balance to reflect target inventory level.

Duke Energy Progress  
Cost of Capital - Electric Operations  
12 Months Ended September 30, 2016  
Dollars in Thousands

Total Company													
Line No.	Description	Per Books						As Adjusted					
		Amount (Col. 1)	Ratio (Col. 2)	Retail Rate Base (Col. 3)	Embedded Cost/Return (Col. 4)	Weighted Cost/Return (Col. 5)	Operating Income (Col. 6)	Amount (Col. 7)	Ratio (Col. 8)	Retail Rate Base (Col. 9)	Embedded Cost/Return (Col. 10)	Weighted Cost/Return (Col. 11)	Operating Income (Col. 12)
1	Long Term Debt	\$ 6,656,800	46.74%	\$ 5,780,390	4.06%	1.90%	\$ 234,684	\$ 6,656,800	46.74%	\$ 6,248,242	4.06%	1.90%	\$ 253,679
2	Preferred Stock	-	0.00%	-	0.00%	0.00%	-	-	0.00%	-	0.00%	0.00%	-
3	Common Equity	7,583,921	53.26%	6,586,726	8.69%	4.63%	572,543	7,583,921	53.26%	7,119,841	6.17%	3.29%	439,301
4	Total	<u>\$ 14,240,720</u>	<u>100.00%</u>	<u>\$ 12,367,116</u>			<u>\$ 807,227</u>	<u>\$ 14,240,720</u>	<u>100.00%</u>	<u>\$ 13,368,082</u>			<u>\$ 692,979</u>

SC Retail													
Line No.	Description	Per Books						As Adjusted					
		Amount (Col. 1)	Ratio (Col. 2)	Retail Rate Base (Col. 3)	Embedded Cost/Return (Col. 4)	Weighted Cost/Return (Col. 5)	Operating Income (Col. 6)	Amount (Col. 7)	Ratio (Col. 8)	Retail Rate Base (Col. 9)	Embedded Cost/Return (Col. 10)	Weighted Cost/Return (Col. 11)	Operating Income (Col. 12)
5	Long Term Debt	\$ 6,656,800	46.74%	\$ 625,134	4.06%	1.90%	\$ 25,380	\$ 6,656,800	46.74%	\$ 671,791	4.06%	1.90%	\$ 27,275
6	Preferred Stock	-	0.00%	-	0.00%	0.00%	-	-	0.00%	-	0.00%	0.00%	-
7	Common Equity	7,583,921	53.26%	712,337	7.80%	4.15%	55,539	7,583,921	53.26%	765,503	5.05%	2.69%	38,643
8	Total	<u>\$ 14,240,720</u>	<u>100.00%</u>	<u>\$ 1,337,471</u>			<u>\$ 80,919</u>	<u>\$ 14,240,720</u>	<u>100.00%</u>	<u>\$ 1,437,294</u>			<u>\$ 65,918</u>

[A] Long Term Debt includes Mortgage and Pollution Control Bonds, Senior Debt, Unamortized Debt Expense and Discounts and Premiums. Current maturities are excluded.

[B] Includes net of tax Progress merger costs to achieve of approximately \$1 million.

[C] Includes net of tax Piedmont merger costs to achieve of approximately \$274 thousand.

Duke Energy Progress  
Parent Company Contributions  
12 Months Ended September 30, 2016  
Dollars in Thousands

<u>Line No.</u>	<u>Received from</u>	<u>Amount</u>	<u>Date</u>
1	Duke Energy Corporation	\$625,000	07/30/2015